



**Intelligent Finance Operations:
The CFO's most
powerful asset**

accenture



You're "future-proofing" your business.

Are your finance operations leading the way?

If recent history has taught us anything, it's to expect the unexpected. The unpredictable. Even the unprecedented.

So how can businesses thrive in an unstable environment?

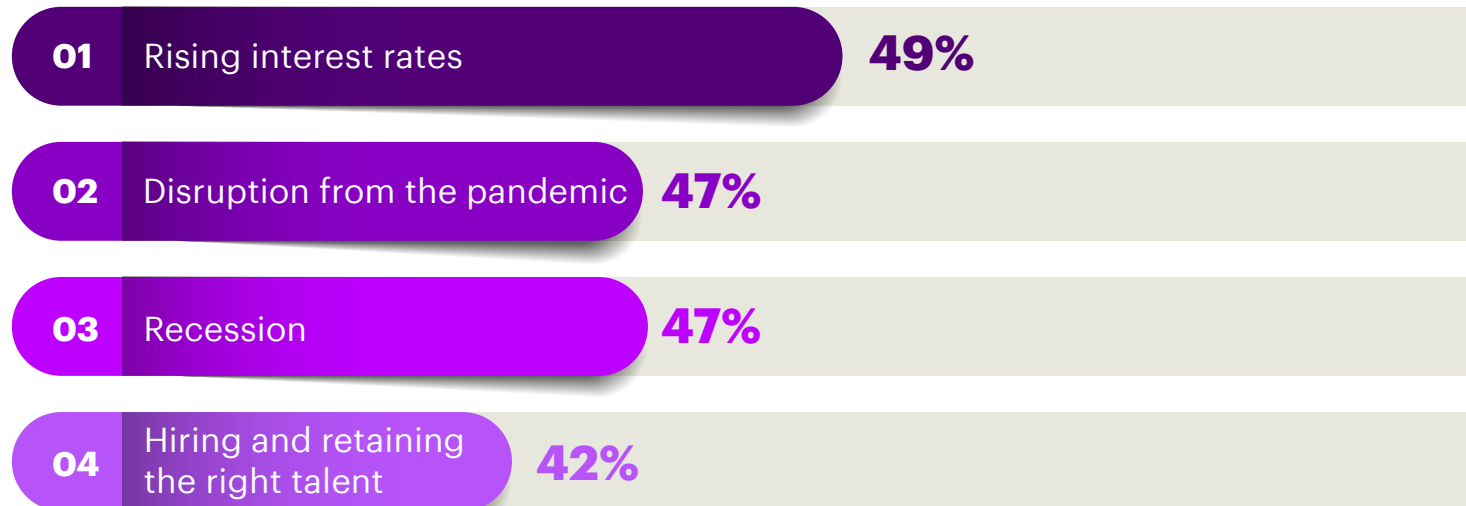
Success hinges on adaptability and agility. And it is increasingly centered on the finance area. That's because finance leaders are now expected to stay ahead of the curve to drive new value and respond to disruptions coming from all sides, from the routine to the remarkable. They must outmaneuver uncertainty, maximize investment, boost growth and shareholder value.

Accenture surveyed 450 finance leaders of companies with over a billion dollars in revenue in the US and Europe to gain insight into their most pressing challenges and the obstacles they face in meeting them in this pandemic year.

While their concerns vary, they all agree that to manage day-to-day finance operations and plan for the future in the face of uncertainty, real-time processes will help them make more informed business decisions.

Individual circumstances inform finance leaders' concerns

Our research found that there are four distinct—and diverse—disruptors that executives are most worried about for the coming year.



While all of these concerns appear to be of equal importance, they did vary significantly by country and industry.

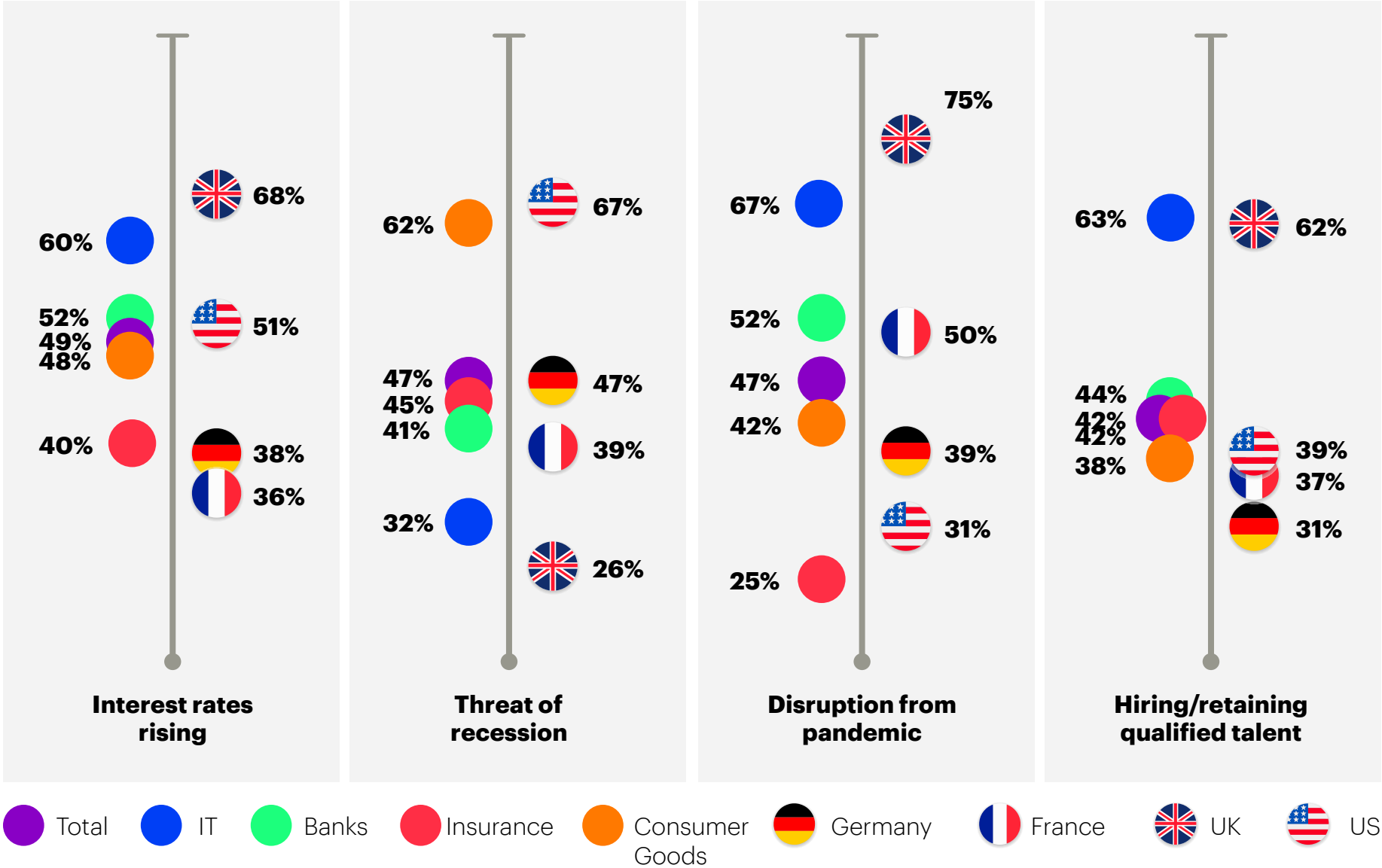
Executives in the UK, for instance, were more likely to cite disruptions from the pandemic as a top concern than leaders in the US. Conversely, Brexit was seen as a much bigger challenge to German business leaders than it was to British leaders.

The threat of recession, meanwhile, was cited as a concern by more financial leaders in the US than in the UK and other European markets. While most leaders feel they are very or somewhat prepared for most of these disruptions, only 11% expressed confidence in their level of preparedness for a recession.

Key concerns also varied between industries. Leaders in IT were most concerned about interest rates rising, the pandemic, and hiring and retaining the right talent, while those in the insurance industry were most likely to cite Brexit and recession as top concerns. Rising interest rates and the pandemic were top of mind for banks.

Which of the following are the top three issues that could affect your business in the coming 12 months? (Top 4)

This range of responses demonstrates that businesses that span markets and sectors need to be able to map out multiple scenarios for a variety of crises that could affect them in different ways and to different degrees. As we've seen in the case of the pandemic, some companies found that the traditional approach to planning no longer worked and they needed to dynamically scenario plan.



Time to get real

What do finance leaders think will help them outmaneuver these looming threats? Real-time finance, which uses a data-driven, intelligent operating model to give CFOs a continuously updated view of the entire business.

Nearly every leader we surveyed (99%) said it's important to have real-time processes and operations in place to inform better business decisions. And given the complexity of the challenges they face, it's no surprise that nearly seven in ten (68%) believe that moving in this direction will help them face uncertainty with confidence by:

- Enabling better business decisions, such as how to optimize inventory and cash flow
- Forecasting more accurately
- Having a better view of working capital
- Supporting integrated planning across the business with self-service access to financial data

But are they adopting and scaling fast enough? Just 16% of respondents said that more than 80% of their current finance processes and operations are real-time.

But finance leaders across different industries and countries expect to see this number increase significantly—in three years, 44% of respondents (over 2.5X) expect more than 90% of their finance processes and operations to be real-time.

To that end, respondents said they are investing a third (33%) of their finance budget over the next 12 months in building out real-time finance capabilities, even in the midst of a pandemic. In fact, leaders in the US, and leaders of companies with over \$10 billion in revenue, intend to invest half or more of their budget for the next year in this area.

The data supports what we are observing in the market: Finance leaders who have not yet shifted to this approach are finally more willing to move away from historical models and embrace change.

99%

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What's the delay?

The advantages of a finance model featuring real-time scenario-planning, insights and accounting is evident, but implementing these processes is often easier said than done.

Finance leaders face a wide range of obstacles in making this transformation, including the right operating model, access to data, appropriate technologies and skilled talent.

Case in point? Real-time scenario planning topped a list of preferred processes in our research, but 58% of respondents expressed concern about identifying or hiring the right talent to implement it. Access to talent was cited as a key concern across the board and is enough of an impediment that nearly one in five of those surveyed indicated that they would consider purchasing the services.

Finance leaders also see technology as an obstacle. Companies with over \$10 billion in revenue were more likely to cite technology as a barrier (49%).



How finance leaders can outmaneuver disruptions

Today's finance function is in a unique position to respond quickly to high-impact events that can affect markets differently and drive positive change.

Intelligent Finance Operations, enabled by real-time processes, gives CFOs the tools and insights they need to do just that.

By drawing upon data, applied intelligence, digital technologies and talent, Intelligent Finance Operations helps transform the finance function from being a transactional service to a strategic asset. When a company embraces this model, its "Core Finance Operations"—traditional accounting processes like Payables and Receivables, General Accounting and governance—become touchless or optimized, data-driven and intelligent. These core functions work hand-in-hand with its "Strategic Finance Operations," which enable finance leaders to quantify and evaluate different possible future outcomes, build scenarios and strategize accordingly.

Strong Core Finance Operations safeguard financial health while increasing speed, efficiency, accuracy and stability. Strong Strategic Finance Operations give leaders the ability—and nimbleness—to manage the future.

Think of it as two complementary parts of a powerful engine fueling how finance delivers value: the stronger the core operations are, the swifter the pivot to the strategic can be. And the more real-time the strategic insights, the better or more streamlined the core can be.

This approach frees up a company's finance team to focus on the future, informing, planning for both normal business environments and chaotic ones and giving finance leaders confidence in their actions and contingency plans.

A woman with curly hair, wearing a brown blazer, is leaning over a desk and pointing towards a computer monitor. A man with a beard, wearing a green shirt, is sitting at the desk behind her, looking at the screen. The background shows a modern office environment with other people and bright lighting.

Strong Strategic Finance Operations give leaders the ability - and nimbleness - to manage the future.

Unlocking growth with Intelligent Finance Operations

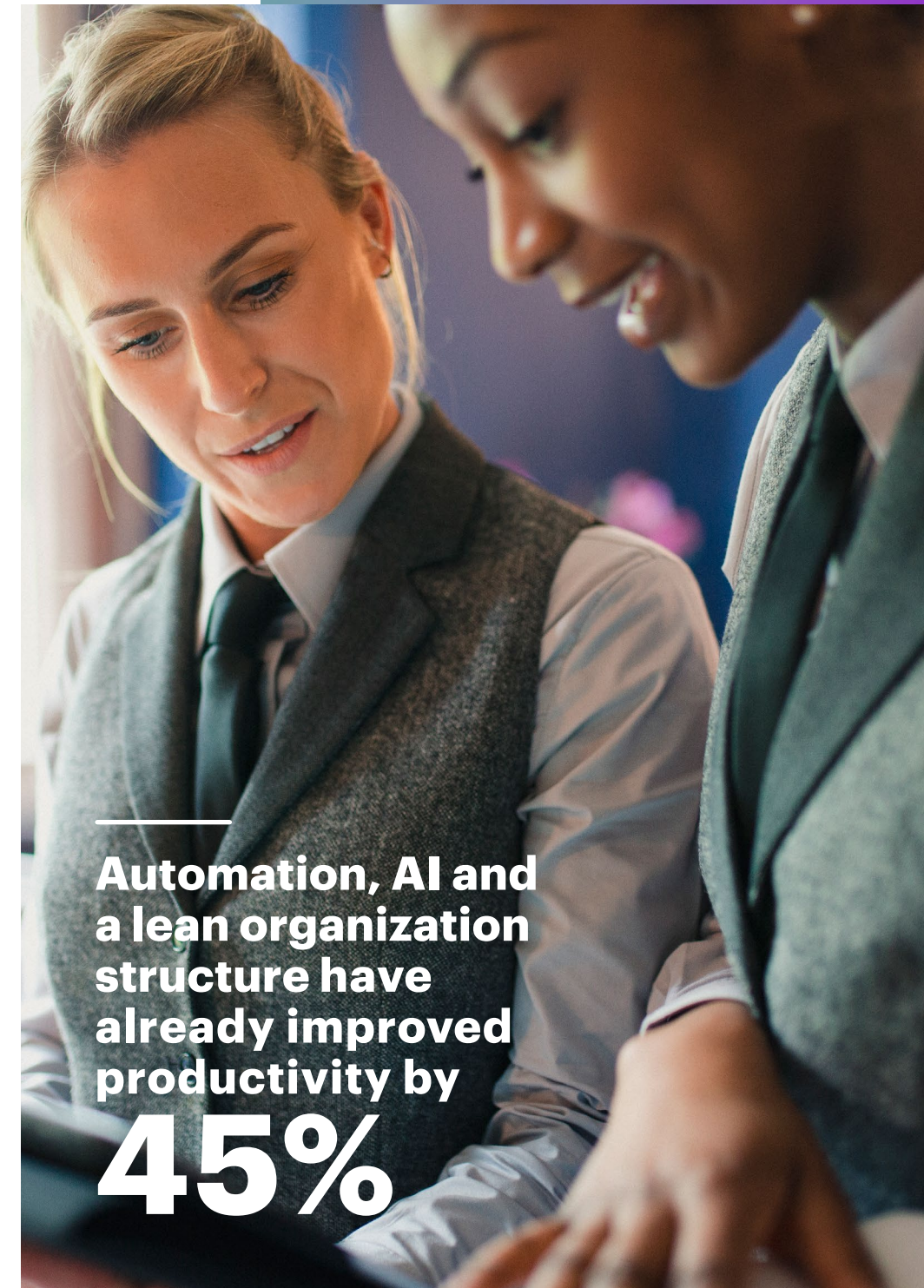
When companies make the move to Intelligent Finance Operations, they see the payoff. Consider NH Hotel Group (NH), which wanted to elevate its finance function to become a trusted partner to the business, as this is a key element expected in a listed company.

To make this happen, it not only had to properly integrate all key finance functions (Accounting, Treasury and Finance, Tax, etc.), but also invest in talent and ensure delivery of qualified financial reports and financial forecasts.

With its move to an intelligent finance model, NH is continually enhancing service levels, increasing compliance, and reducing costs associated with managing the hotel company's finance processes, becoming a reference within the hospitality sector. Automation, artificial intelligence (AI) and a lean organization structure have already improved

productivity by 45%. And a new cash application advisor increased the number of monthly payments it can match to invoices from 4,000 to 16,000, representing more than \$50 million. Enhanced and timely reporting means the company can make better, faster decisions and identify areas needing improvement on a continual basis.

Finance leaders who embrace this approach are equipped with the data, analytics and insights to optimize cash flow and inventory, forecast with greater accuracy, increase visibility into working capital and integrate planning across the business.



Automation, AI and a lean organization structure have already improved productivity by

45%



Overhauling its finance operations made it possible for a European insurer to transform its finance services to unlock growth and stay ahead of the competition.

The company has cut its debt by \$53M and doubled customer satisfaction scores—achieving top-quartile performance.

This transformation also strengthened business partnerships to deliver timely insights and accelerate decision-making. By moving to a data-driven, intelligent operating model, the company has gained insights that have reduced revenue leakage by \$78M each month and improved collections by \$125M—contributing to a \$13M profit increase.

Intelligent Finance Operations makes the best use of inputs from AI and machine learning algorithms to strengthen forecasting models and increase data accuracy. It provides access to real-time, democratized and diverse data. And it seamlessly sources the best talent through multidisciplinary teams.

Cut debt by

\$53M

by tapping into
**analytics, automation
and expert talent**



The power to manage the future

Investors expect today's finance executives to innovate, fend off risks, capitalize on competitive strengths and jump on opportunities before other firms beat them to it.

The opportunity is clear: By embracing change and making the move to Intelligent Finance Operations, you can take full advantage of the finance function's increasingly elevated role, while positioning your company for growth.

This strategic shift will give you access to the tools necessary to capitalize on opportunities for business growth. It will empower you to quickly and flexibly adapt to any contingency or crisis. And it will position you to offer unparalleled counsel to business leaders as well as value to internal and external stakeholders.

With Intelligent Finance Operations in place, you will be poised to strike a dynamic, delicate balance between weathering the storms of today and steering your business towards the many possibilities of tomorrow.

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